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January 24, 2003

## **VIA ELECTRONIC FILING**

Ms. Magalie Roman Salas Secretary Federal Communications Commission 445 12<sup>th</sup> Street, SW, Room TWB-204 Washington, DC 20554

Re: Notice of Ex Parte Presentation

<u>In the Matter of Review of Section 251 Unbundling Obligations of Incumbent</u>
<u>Local Exchange Carriers and Implementation of the Local Competition Provisions in the Local Telecommunications Act of 1996, CC Docket Nos. 01-338; 96-98; 98-147</u>

In the Matter of Appropriate Framework for Broadband Access to the Internet Over Wireline Facilities, CC Docket Nos. 02-33; 95-20; 98-10

In the Matter of AT&T Corp. Petition for Rulemaking To Reform Regulation Of Incumbent Local Exchange Carrier Rates For Interstate Special Access Services, RM 10593

In the Matter of Petition for Declaratory Ruling that AT&T's Phone-to-Phone IP Telephony Services Are Exempt from Access Charges, WC Docket No. 02-361

<u>In the Matters of the 1993, 1994, and 1996 Annual Access Tariff Filings, CC</u> Docket No. 93-193

Dear Ms. Salas,

On Thursday January 23, I met with Bill Maher, Chief of the Commission's Wireline Competition Bureau, to discuss issues related to the aforementioned proceedings. During the course of those discussions, we explained AT&T's position on why unbundling networks elements in general, and switching in particular, is necessary to bring competition to the mass market and to sustain existing competition in the consumer long distance market. I also explained the necessity of requiring the unbundling of switching until the significant economic impairments that AT&T has identified in the

record of the Triennial Review are addressed and eliminated. The process of identifying those impairments and whether they have been removed can only be conducted on a market-by-market basis and cannot be determined in a national proceeding. Rather, state commissions must be left with the authority to conduct that granular analysis based upon local facts and conditions. I also explained that the Commission should find that the record here requires on a nationwide basis that carriers are impaired without access to all UNEs previously identified without limitations such as the ones that exist in the switching and combination areas. We stated that pricing of those UNEs should continue to be done by the states.

In addition, I emphasized the importance of maintaining unbundling obligations on incumbent providers based upon the services the CLECs seek to offer over those facilities rather than the services the ILEC chooses to offer over a facility. The latter, we explained, would distort competition by incenting the incumbents to create separate, inferior networks for competitive access in direct contravention of the non-discrimination principles espoused in the Telecommunications Act. We briefly discussed why use restrictions should be eliminated, particularly in a post-271 environment as the maintenance of those restrictions will put carriers in a classic price squeeze situation with the incumbent. We also discussed the facts raised in AT&T's special access re-regulation petition which demonstrate conclusively that Bells are the dominant provider of last mile facilities in the high capacity market as further evidence that carriers must have access to cost-based facilities in order to be in a position to compete with the incumbent.

We discussed as well AT&T's VOIP petition and the need for the FCC to permanently act in this area. Finally, I stressed the need for the commission to resolve the access intervention issues raised by AT&T in the Annual Filing dockets from 1993, 1994, and 1996.

The positions expressed in the meeting for each of these areas were consistent with those contained in the Comments, Reply Comments and ex parte filings previously made in the aforementioned dockets. One electronic copy of this Notice is being submitted for each of the referenced proceedings in accordance with the Commission's rules.

Sincerely,

Robert W. Zuinny.

cc: William Maher